



Secretary of Energy Unveils DOE '04 Budget

Budget Reflects Commitment to Advance Energy and National Security through Science, Technology and Environmental Stewardship

WASHINGTON, D.C. – Secretary of Energy Spencer Abraham today released the Department of Energy's (DOE) Fiscal Year 2004 budget request to Congress, calling it a "good reflection on the Energy Department, its programs and its people."

Abraham said that the \$23.4 billion budget request demonstrates that the Administration and the Congress recognize the critical contribution the department makes to a peaceful and prosperous future by helping to secure our national security, our energy security and our position as the world leader in science and technology.

The department's budget has increased nearly 25 percent when compared to the last budget presented by the previous administration in fiscal year '01.

"The President demands results and we have delivered," Secretary Abraham said in remarks he made this afternoon. "We have proven our worth by taking huge strides in carrying out our national security mission by maintaining our nuclear stockpile, rebuilding the capabilities of our defense complex, and preventing the spread of nuclear weapons and materials."

Noting that the budget proposal reflects, and is intended to address, the critical challenges the Energy Department will face in the coming decades, Abraham said he has charted a course that emphasizes DOE's critical contributions to the Nation's national security and provides far-reaching solutions to America's energy problems.

These priorities are to maintain the nuclear stockpile; expand non-proliferation activities into a more comprehensive program; accelerate the environmental cleanup program; develop the 21st century's cutting edge advanced fuel cell and alternative energy technologies program; maintain coal as a major, low-cost, domestically produced energy resource through President Bush's Coal Research Initiative; build and maintain a stable and effective national defense program and continue the department's leadership to ensure nuclear power remains a key energy resource; and, build a scientific research capability second to none.

Secretary Abraham also discussed the department's efforts to devote resources to revise and accelerate cleanup plans for 18 DOE sites; pursue private sector partnerships to develop technologies and processes under the Clean Coal Initiative to take advantage of this domestic energy resource; develop a carbon sequestration research program; and overcome daunting challenges of fuel cell costs, hydrogen production and on-board hydrogen storage as part of the FreedomCAR and FreedomFuel initiatives.

Safeguarding and securing DOE's nuclear facilities, materials and information, and protection of our employees in a post 9/11 environment remains one of the Administration's top priorities. As such, the department's safeguards and security funding in the FY 2004 request is \$1.2 billion, an increase of \$179 million over the FY 2003 request. Within the amount requested, \$586 million will support activities to safeguard DOE's NNSA nuclear weapons facilities, \$357 million will support activities that protect the Cold War nuclear waste material being cleaned up at the department's environmental cleanup sites, \$238 million will fund the security of the department complex-wide, and \$48.1 million will support continued safeguards and security activities at the department's scientific laboratories and facilities. A portion of these expenses will be recovered through charges to non-DOE customers performing work at DOE laboratories.

Funding priorities for the FY 2004 budget highlights are as follows:

National Nuclear Security Administration (\$8.8 billion for FY 2004)

The FY 2004 Weapons Activities request of \$6.4 billion, is a 9.1 percent increase over the FY 2003 request. One of Secretary Abraham's highest priorities is to certify, with the Secretary of Defense, the safety, security and reliability of the nation's nuclear weapons stockpile. President Bush's budget request will permit NNSA to continue on the Life Extension Program for active nuclear warheads in our stockpile -- W87, B61, W76 and W80. The request also provides continued funding for stockpile stewardship that includes \$320 million to support the manufacture of certifiable plutonium pits, the trigger in a nuclear weapon, while allowing NNSA to proceed with a conceptual design for a modern pit manufacturing facility.

The budget proposes \$467 million for the Inertial Confinement Fusion Ignition and High Yield Campaign, including the Lawrence Livermore National Laboratory National Ignition Facility (NIF), one of the major tools to help model and simulate nuclear explosions to ensure the safety and reliability of the weapons in the stockpile. NIF achieved a major milestone in December 2002, activating the first of four of the 192 laser beams ahead of schedule. The request also includes \$751 million for the Advanced Simulation and Computing program to provide super computing platforms and simulation capabilities needed to model and understand weapon processes, components and systems.

As part of the administration's commitment to restore, rebuild and revitalize the physical infrastructure of the nuclear weapons complex, the budget requests \$265 million for the Facilities and Infrastructure Recapitalization Program.

The FY 2004 Defense Nuclear Nonproliferation request of \$1.3 billion, is a 30 percent increase over the FY 2003 request. The increase provides for the start of construction of a mixed oxide (MOX) fuel fabrication facility in the U.S. and U.S. efforts to assist Russia with the start of construction of an industrial scale MOX fuel fabrication facility. Additionally, the request includes \$30 million for implementation of a new program to accelerate nuclear materials disposition efforts in support of the 2002 G-8 Summit initiatives to purchase Russian highly enriched uranium (HEU) above the amounts in the 1993 U.S./Russia HEU Purchase Agreement.

The budget request also includes \$768 million to meet responsibilities for all naval nuclear propulsion work, including new efforts to develop and deploy a new design reactor core.

Energy (\$2.5 billion for FY 2004, an increase of \$9.0 million above FY 2003)

The department has requested \$169 million to continue implementing FreedomCAR to ultimately provide a full range of emissions-free, affordable cars and light trucks. With the proposed total funding of \$181 million for FreedomFuel, the department will be able to lead in the design and development of the tools, techniques and infrastructure needed to create a new energy future.

The department has requested \$288 million to fulfill the President's commitment to increase funding for the Low-Income Weatherization Assistance Program over 10 years in order to cut energy costs for 1.2 million low-income families, while at the same time conserving energy.

The department has allocated \$321 million to continue the President's Coal Research Initiative, an effort that is developing innovative technologies to help meet the Administration's Clear Skies and Global Climate Change goals. Included is \$130 million that will be used for the second round of competition to select industry-proposed clean coal power projects.

Also included in the coal research budget is \$62 million to continue advancing the science and technology of carbon sequestration, a 40 percent increase from last year's request. In FY 2004, the department will begin implementing a regional sequestration partnership program announced last November by Secretary Abraham. Through these partnerships, the federal government will join with state agencies, universities, environmental organizations, and private companies to determine the best regional approach for permanently capturing and storing greenhouse gases.

This year's budget also includes \$38 million for the Nuclear Power 2010 program, which is designed to pave the way for the near-term deployment of new power plants in the U.S. through cost-shared demonstration of untested regulatory processes and cost-shared development of advance nuclear power plant technologies.

Approximately \$10 million is allocated to the Generation IV Nuclear Energy Systems program that focuses on the development of advanced reactor nuclear energy technologies for the next generation of nuclear power plants. These advanced technologies are poised to play an important role in meeting electric and other non-electric needs such as hydrogen fuel production.

The department is also requesting an additional \$4 million through the Nuclear Hydrogen Initiative to accelerate redevelopment of advanced systems to generate hydrogen using nuclear energy.

The department will also reorganize and focus its nuclear fuel technology efforts to create new, proliferation-resistant technologies that will stretch the energy potential of the world's nuclear fuel resources. This work will be accomplished through the new Advanced Fuel Cycle Initiative for which the department is requesting \$63 million.

Environment (\$8 billion for FY 2004, an increase of \$354 million over FY 2003 request)

The department is firmly committed to accelerate the cleanup of legacy waste in FY 2004. The budget request of \$7.2 billion for Environmental Management, an increase of \$361 million over the FY 2003 requests, reflects that commitment. Over the past year, the department has worked very closely with the states, federal regulators, and the general public to establish strategies and prepare detailed performance management plans for 18 of the 39 remaining DOE cleanup sites.

The budget request also allocates \$90 million to begin design, construction and operation of two existing gaseous diffusion plants (one at the Paducah, Ky., site and one at the Portsmouth, Ohio, site), to convert and dispose of depleted uranium hexafluoride (DUF6).

In an effort to realign program activities that will better support the department's long-term mission, a new Office of Legacy Management has been formed. The office has responsibility for post-cleanup activities and will administer both the department's human and physical resource post-closure obligations at closed sites.

The President's recommendation and Congress' approval of Yucca Mountain, Nev., as the Nation's high-level nuclear waste repository was a step forward in advancing the department's goal to ensure the safe and secure disposition of dangerous nuclear materials. The budget request maintains the FY 2003 level of \$591 million for the department's repository program. This funding will enable DOE to complete work needed for a license application to the Nuclear Regulatory Commission in 2004 and develop transportation capabilities needed to initiate repository operations by 2010.

The budget also includes \$138 million for the Office of Environment, Safety, and Health and \$15 million for the Office of Worker and Community Transition.

Office of Science (\$3.3 billion for FY 2004, an increase of \$64 million above FY 2003 request)

The request for the Office of Science includes \$197 million, an increase of \$64 million over the FY 2003 request, to support the revolution of nano-science research, the study of matter at the atomic and molecular level, which will benefit every aspect of society. The U.S., through this effort, will lead the world in the area of nano-science. Within this amount, the department will design and construct five new nano-science research centers.

In this budget, the department requested \$173.5 million for the Advanced Scientific Computing Research (ASCR) program. The ASCR program's goal is to foster and support fundamental research in advanced scientific computing and provide the high performance computational and networking tools that enable the department to succeed in its science, energy, environmental quality and national security missions. Within Biological and Environmental Research, the Genomes to Life program which funds research to address energy, environmental, and national security needs, continues to expand from \$34.5 million to \$59 million in FY 2004, as a research program on the leading edge of biology.

The FY 2004 budget request reflects the transfer of several activities to the newly established Homeland Security Department. The transfer includes activities relating to chemical/biological R&D, nuclear smuggling, national security, energy security and assurance, and nuclear threat assessment capability and federal administrative support to build the new department.

The transfer of these highly important activities will not impact the department's mission but rather enhance the National Strategy for Homeland Security. Other related homeland security activities will continue to exist at DOE to ensure the Nation's continued security.

The entire FY 2004 budget can be accessed via the internet at <http://www.mbe.doe.gov/budget/04budget/>.

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